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ERI-2362

Approved For Release 2002/06/26 : CIA-RDP78-04718A000100320048-5

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Director of Central Intelligence

5 September 1950

Acting Executive

Allocation and Priorities for Facilities, Materials and Equipment

- References:
- a. Memo to Chairman, NSRB, on above subject dated 21 July 1950
 - b. Reply to reference (a) dated 30 August 1950
 - c. Letter to Secretary, Inter-Departmental Radio Advisory Committee, relative to radio frequencies, dated 24 July 1950
 - d. Reply to reference (c) dated 27 July 1950
 - e. Memo to Secretary of Defense relative to communications-electronics requirements, dated 24 July 1950
 - f. Reply to reference (e) dated 1 August 1950
 - g. Report from Chief, Communications Division, OSO, covering meeting arranged as a result of reference (f), dated 29 August 1950
 - h. Memo from GSA relative to the conservation of critical materials, dated 24 August 1950
1. Congressional action granting to the President broad control powers for priority and allocation of facilities, materials and equipment in connection with defense needs, and the President's speech on 1 September 1950 indicate the immediate necessity for the establishment within CIA of a central facility for handling policy liaison to ensure that the critical requirements of this Agency continue to be adequately supplied.
2. Action to date has been on a limited scale and pointed most specifically at the communications-electronics field. The record of such action is summarized below:
- a. (1) Request was made on 21 July 1950 to the Chairman, NSRB, that he designate appropriate officials to discuss subject problems with this Agency (reference a).
 - (2) Reply was received dated 30 August 1950 designating Mr. Oscar L. Endler of the NSRB Economic Management Office for this purpose pending the designation by the President of an administering agency to promulgate rules and regulations governing priorities and allocations (reference b).
 - b. (1) Request was made on 24 July 1950 to the Secretary, Inter-Departmental Radio Advisory Committee, for CIA representation on

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that Committee in connection with the assignment of radio frequencies (reference c).

(2) Reply was received dated 27 July 1950 that we would be further advised after an IRAC meeting scheduled for 3 August (reference d).

(3) [] Chief, Communications Division, OSO, met informally with the IRAC on 15 August 1950. No report of the results of this meeting has been received from []

c. (1) Request was made on 24 July 1950 to the Secretary of Defense for CIA representation on appropriate working groups of the Joint Communications-Electronics Committee of the Joint Chiefs of Staff (reference e), including:

- (a) Strategic Communications Plans Group
- (b) Frequency Allocations Panel
- (c) Security and Cryptographic Panel

(2) Reply was received dated 1 August 1950 suggesting conversations between CIA representatives and [] Chairman of the Joint Communications-Electronics Committee (reference f).

(3) Conference was held on 17 August as a result of which suggestion was made, to be confirmed by letter, that CIA should establish direct liaison with (reference g):

- (a) The Executive Secretary, JOEC
- (b) Research and Development Board
- (c) Limitations Board

3. By the publication of Personal Property Management Regulation No. 2, dated 24 August 1950, the General Services Administration has emphasized the need for conservation of critical materials and the channeling of such materials in the direction of national defense needs (reference h).

h. a. CIA has constantly increasing essential requirements, particularly in the following broad fields, for facilities, materials and equipment, the lack of which would hamper to a major degree or actually negate the mounting and successful carrying out of covert operations:

- (1) Communications
- (2) Business machines
- (3) Special operational devices
- (4) Sensitive and critical items of equipment
- (5) Equipment and supplies for operational aids
- (6) Transportation

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b. In addition, the normal service and supply support items for the Agency may well be generally restricted in availability, including such essential items as:

- (1) Paper
- (2) Typewriters
- (3) Reproduction machinery and supplies
- (4) Office furnishings
- (5) Materials for packing and crating
- (6) Warehouse machinery and tools
- (7) Space

5. The only critical area in which CIA is well covered through adequate agreements and liaison arrangements with the controlling government agencies is that of manpower. Even in this area we may later be faced with some new governing mechanism for allocation of manpower. We are, however, prepared to deal immediately, and I believe effectively, with any such change.

6. a. Authority is requested to establish a small separate division in the Executive Office charged with the responsibility for:

(1) Determining constantly the broad priority requirements of the entire Agency for facilities, materials and equipment.

(2) Negotiating on a policy basis with appropriate government officials agreements which will ensure that our priority requirements are adequately met on a timely basis.

(3) Establishment of, and general supervision over, necessary liaison contact arrangements for appropriate administrative and operational officials charged with Agency operating support responsibilities for the procurement and supply of facilities, materials and equipment.

b. It is intended that the duties and responsibilities of the recommended new division will be restricted to overall Agency negotiations on a broad policy agreement basis, and that no interference with or assumption of the functions and responsibilities of the established administrative and operational activities of the Agency will result or be permitted. I feel that it is essential, however, to set up a central point, as we have done in the case of manpower, to represent the whole Agency, so as to avoid the conflicts, confusion, duplication and often resentments which inevitably result from multiple uncoordinated contacts with other agencies on the same problems.

7. a. If the above recommendation is approved, preliminary discussions will be initiated in the near future with:

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- (1) National Security Resources Board.
- (2) Office of the Secretary of Defense -- specifically with:
 - (a) Munitions Board
 - (b) Research and Development Board
 - (c) Appropriate activities of the Joint Chiefs of Staff
- (3) Department of Commerce.

b. If and when new activities are created in connection with the development of industrial mobilization, such activities will be contacted immediately.

c. There will, of course, be constant coordination with the I&S Staff relative to contact security.

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8 Encls. (See References)

Exec chrono

E: LTS/mc (5 Sep 50)

*approved as stated in par. 6
R.H.H.*

Note: Papers handed to AVE 19 Sept. 50 for preparation of a plan.

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